

South Carolina Forest Products Export

Based on information gathered from 2001 to 2006

FOREST PRODUCTS A GROWING INDUSTRY

- South Carolina **exports about \$1 billion** in forest products annually.
- The forest industry's **economic impact** on the state's economy is **over \$17 billion annually** and ranks second in value added goods among the state's manufacturing sectors.
- South Carolina mills produce more forest products than ever recorded. **Timber product output** is expected to **increase 18%** due to industry expansion.
- The state's **forest industry ranks first** in employment among S.C. manufacturing sectors, **employing 36,000** individuals.

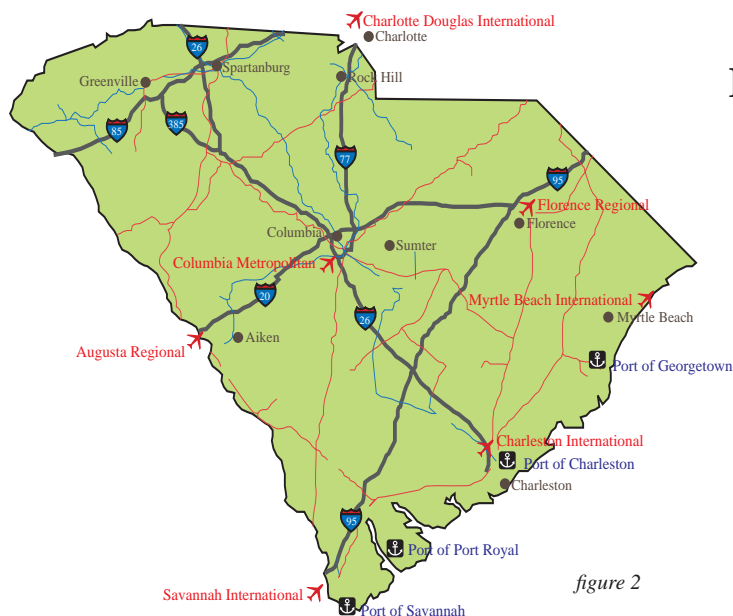


figure 2

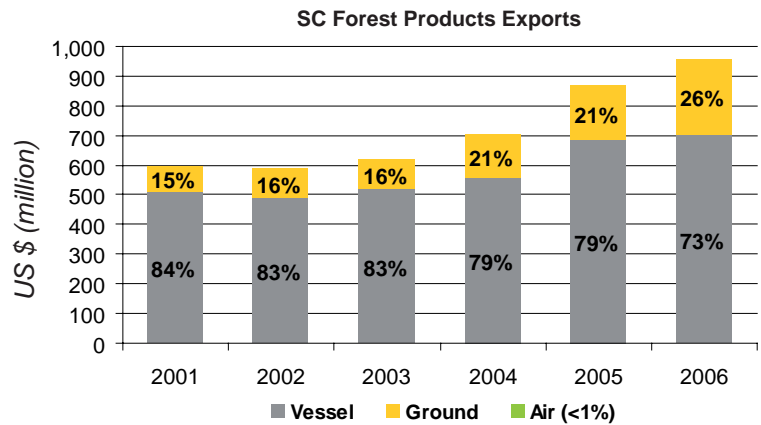


figure 1

EXPORT TRANSPORTATION INFRASTRUCTURE

Overall, forest product exports have increased by more than 59% since 2001, from exports valued at \$604 million in 2001 to more than \$962 million in 2006. Noteworthy is the double-digit growth rates in the past 3 years. (Figure 1)

Most of these products leave the state via vessels, but ground transportation's importance is growing in recent years for wood products and paper/paperboard products. Forest products are the most important commodity moved through the port of Charleston, accounting for 27% of total cargo volume in 2006. Besides ports, South Carolina offers well-developed and extensive railway and highway systems. (Figure 2)

GLOBAL DEMAND ON THE RISE FOR S.C. PRODUCTS

South Carolina forest products are in demand around the world. Our customers are well diversified across many countries, illustrated by the fact that the top five foreign destinations for forest products account for only 46% of exports. In the six-year period between 2001 and 2006, Canada topped the list of export destinations for South Carolina forest products. In total, products worth around \$705 million left the state and crossed the Canadian border. Italy (\$428m), the Netherlands (\$328m), China (\$298m) and Germany (\$231m) complete the list of the top five export destinations. Each of these countries imported a record value of South Carolina forest products in the last year.¹

¹ This study includes export figures for the following major forest products: paper and paperboard, wood pulp, wood, wood furniture and pine oils

Top Markets - Country/Commodity Matrix					
	Wood	Wood Pulp	Paper/Paperboard	Wood Furniture	Pine Oil/Turpentine
# 1	Canada	Italy	Canada	Japan	Costa Rica
# 2	Japan	Netherlands	China	Panama	Chile
# 3	China	Germany	Italy	Canada	Jamaica
# 4	Spain	Korea	Germany	UK	Peru
# 5	UK	Japan	Mexico	Saudi Arabia	Venezuela
# 6	Italy	Mexico	Philippines	Israel	Colombia
# 7	Hong Kong	China	Taiwan	Mexico	Japan
# 8	Portugal	Canada	Belgium	Turkey	Czech Republic
# 9	Taiwan	Poland	France	Korea	Brazil
# 10	Mexico	Colombia	Australia	Kuwait	Mexico

■ North America
 ■ Asia
 ■ European Union
 ■ South America
 ■ Middle East
 ■ Other

KEY FOREST PRODUCT EXPORTS SEE DOUBLE-DIGIT GROWTH

Between 2001 and 2006, the top forest product exported from the state was paper and paperboard, followed by woodpulp, wood, wood furniture and pine oils. Paper and paperboard-related products accounted for \$2.5 billion, or 58%, of South Carolina's forest product exports for the period. Kraft paper and paperboard accounted for almost 50% of paper and paperboard exports. Export figures for other paper and paperboard segments (such as Kaolin coated paper and paperboard, uncoated paper and sanitary tissues) are fairly evenly distributed. (Figure 4)

Overall, paper and paperboard-related products have experienced double-digit export growth rates every year since 2003. The number one export destination for these products was Canada, followed by China, Italy, Germany and Mexico. Canadian imports from South Carolina surged 65% last year, resulting in a record total of \$201 million worth of paper and paperboard-related products. (Figure 5)

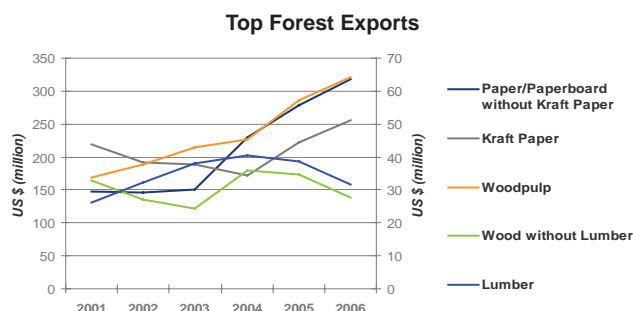
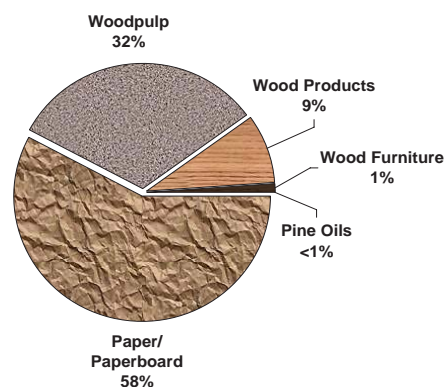


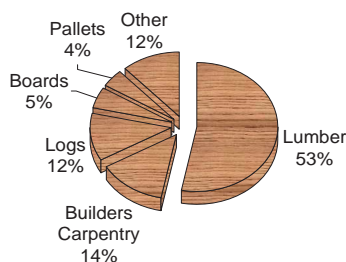
figure 5

Major Forest Products Exports (Total 2001 - 2006)

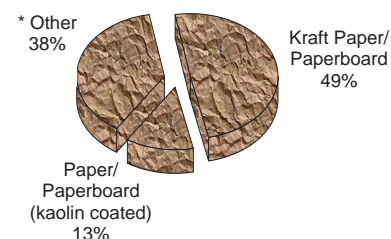
figure 4



Wood Exports



Paper/Paperboards Exports



* Other: (uncoated writing paper, sanitary tissues, carton, office boxes, newsprint rolls and sheet)

WOOD RELATED PRODUCTS CONTRIBUTE TO GLOBAL SUCCESS

SC Wood Pulp Exports

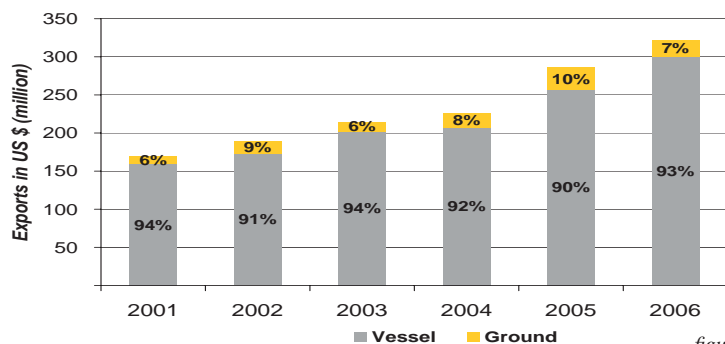


figure 6

Wood pulp product exports have also been very successful. Total export figures for the six-year period were valued at \$1.4 billion. Exports have been up every year since 2001. Between 2005 and 2006, export of wood pulp increased \$36 million. Most of these customers come from the Netherlands and Italy, with Germany, South Korea and Japan completing the top five export markets list. (Figure 6)

Wood exports amounted to \$390 million between 2001 and 2006. Lumber accounted for \$207 million, or 53%, of wood exports, while other segments (builders carpentry, logs, boards, and pallets) are fairly evenly distributed.

However, there has been a significant decline in lumber exports in recent years. In 2006, lumber exports reached their

lowest level since 2001 (with \$31.5 million worth of lumber exported in 2006 vs. \$40.4 in 2004). Overall, wood exports are well-diversified across many countries, with only Canada, Japan and China accounting for double-digit export shares.

Finally, wood furniture and pine oils added \$47 million and \$526 thousand respectively to South Carolina forest product exports between 2001 and 2006. As these export figures suggest, both of these categories play less significant roles in overall forest product exports. Main wood furniture export destinations were Japan, Panama and Canada, while pine oil exports went largely to Costa Rica, Chile and Jamaica.



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Forest data provided by: South Carolina Forestry Commission, South Carolina Ports Authority and The Export Consortium.